The General State Aid Foundation Formula

\[(\text{Foundation Level} - \text{Local Resources per Student}) \times \text{Students}\]
Available Local Resources (ALR)

- ALR = (PTELL or Actual EAV x Rate) + CPPRT
- ALR / ADA = Per Pupil Local Resources
  where Rate = 2.30% for elementary
  1.05% for high school
  3.00% for unit
- Local Ratio
  - ALR / FLEVEL

(Foundation Level – Local Resources per Pupil) X Students
PTELL

- Property Tax Extension Limitation Law
  - Referred to as “Tax Caps”
- Limits the Amount the Extension can Increase over the Previous Year
- Linked to the Consumer Price Index (CPI)
- Limiting Rate X Total EAV = Extension
  - Maximum that a district can receive (no bonds)

(Foundation Level – Local Resources per Pupil) X Students
Comparison

• Non-PTELL
  – Operating Tax Rate $\times$ Total EAV = Money to District
  – Operating Tax Rate is Fixed, EAV Varies so Money to District Adjusts

• PTELL
  – Limiting Rate $\times$ Total EAV = Maximum Money Available to District
  – Money to District is Fixed (increase limited to CPI)
  – EAV Varies so the Limiting Rate Adjusts

(Foundation Level – Local Resources per Pupil) $\times$ Students
Standard Double Whammy Adjustment

For FY 11  *(Did Not Pass a Limiting Rate Increase)*

\[ \text{Extension Limitation Ratio (ELR)} = \frac{2008 \text{ EAV} \times 2008 \text{ Limiting Rate}}{2007 \text{ EAV} \times 2007 \text{ OTR}} \]

\[ 2008 \text{ GSAEAV} = \text{Smaller of} \]

\[ 2007 \text{ GSAEAV} \times \text{ELR} \]

or

\[ 2008 \text{ Adjusted Real EAV} \]
GSAEAV Example for a “Standard” PTELL Adjustment

- 2007 GSAEAV = $45,000,000
- 2008 Real EAV= $48,000,000  (Up 6.7%)
- ELR= 1.05
- Extension Limitation EAV =
  $45,000,000 \times 1.05 = $47,250,000
- GSAEAV = $47,250,000
Alternate Double Whammy Adjustment
(District Passed a Limiting Rate Increase for up to 4 Years)

Alternate PTELL EAV Used in FY 11 GSA =
EAV Used in Prior Year GSA Calculations x (1+CPI)
  + 2008 New Property EAV
  + 2008 Recovered TIF EAV
  + 2008 Annexations EAV
  - 2008 Detachment EAV

2008 EAV = Smaller of Alternate PTELL EAV or
   2008 Adjusted Real EAV

CPI is the Calendar Year 2006 Consumer Price Index
History of the PTELL or Double Whammy Adjustment

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Effect on General State Aid</th>
<th># of Districts Benefiting</th>
<th># of Districts Subject to PTELL</th>
<th>Total # of Districts</th>
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(Foundation Level – Local Resources per Pupil) X Students